

# Exhibit A

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re: ) Chapter 11  
)  
W. R. GRACE & CO., et al.,<sup>1</sup> ) Case No. 01-01139 (JF)  
)  
Debtors. ) (Jointly Administered)  
)

**AFFIDAVIT OF SETH D. JAFFE IN SUPPORT OF THE  
APPLICATION OF THE DEBTORS FOR THE ENTRY OF AN ORDER  
AUTHORIZING THE RETENTION AND EMPLOYMENT OF FOLEY HOAG LLP AS  
SPECIAL ENVIRONMENTAL COUNSEL FOR THE DEBTORS**

COMMONWEALTH OF MASSACHUSETTS )  
COUNTY OF SUFFOLK ) ss:

I, Seth D. Jaffe, being duly sworn, state as follows:

1. I am an attorney at law and a member of the bar of the Commonwealth of Massachusetts. I am a partner of the law firm of Foley Hoag, LLP ("Foley Hoag"), which maintains an office for the practice of law at 155 Seaport Boulevard, Boston, MA 02210. I

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<sup>1</sup> The Debtors consist of the following 62 entities: W. R. Grace & Co. (f/k/a Grace Specialty Chemicals, Inc.), W. R. Grace & Co.-Conn., A-1 Bit & Tool Co., Inc., Alewife Boston Ltd., Alewife Land Corporation, Amicon, Inc., CB Biomedical, Inc. (f/k/a Circe Biomedical, Inc.), CCHP, Inc., Coalgrace, Inc., Coalgrace II, Inc., Creative Food & Fun Company, Darex Puerto Rico, Inc., Del Taco Restaurants, Inc., Dewey and Almy, LLC (f/k/a Dewey and Almy Company), Ecarg, Inc., Five Alewife Boston Ltd., G C Limited Partners I, Inc. (f/k/a Grace Cocoa Limited Partners I, Inc.), G C Management, Inc. (f/k/a Grace Cocoa Management, Inc.), GEC Management Corporation, GN Holdings, Inc., GPC Thomasville Corp., Gloucester New Communities Company, Inc., Grace A-B Inc., Grace A-B II Inc., Grace Chemical Company of Cuba, Grace Culinary Systems, Inc., Grace Drilling Company, Grace Energy Corporation, Grace Environmental, Inc., Grace Europe, Inc., Grace H-G Inc., Grace H-G II Inc., Grace Hotel Services Corporation, Grace International Holdings, Inc. (f/k/a Dearborn International Holdings, Inc.), Grace Offshore Company, Grace PAR Corporation, Grace Petroleum Libya Incorporated, Grace Tarpon Investors, Inc., Grace Ventures Corp., Grace Washington, Inc., W. R. Grace Capital Corporation, W. R. Grace Land Corporation, Gracoal, Inc., Gracoal II, Inc., Guanica-Caribe Land Development Corporation, Hanover Square Corporation, Homco International, Inc., Kootenai Development Company, L B Realty, Inc., Litigation Management, Inc. (f/k/a GHSC Holding, Inc.), Grace JVH, Inc., Asbestos Management, Inc.), Monolith Enterprises, Incorporated, Monroe Street, Inc., MRA Holdings Corp. (f/k/a Nestor-BNA Holdings Corporation), MRA Intermedco, Inc. (f/k/a Nestor-BNA, Inc.), MRA Staffing Systems, Inc. (f/k/a British Nursing Association, Inc.), Remedium Group, Inc. (f/k/a Environmental Liability Management, Inc., E&C Liquidating Corp., Emerson & Cuming, Inc.), Southern Oil, Resin & Fiberglass, Inc., Water Street Corporation, Axial Basin Ranch Company, CC Partners (f/k/a Cross Country Staffing), Hayden-Gulch West Coal Company, H-G Coal Company.

make this Affidavit in support of the Application (the "Application") of the above captioned debtors and debtors in possession (collectively, the "Debtors") for the entry of an order authorizing the employment of Foley Hoag as special environmental counsel for the Debtors, pursuant to sections 327(e) and 330 of the Bankruptcy Code. This Affidavit constitutes the statement of Foley Hoag pursuant to Federal Rules of Bankruptcy Procedure 2014(a) and 2016.

2. I am not related and, to the best of my knowledge after inquiry of Foley Hoag's partners, counsel and associates, no other attorney of Foley Hoag is related, to any judge of the United States Bankruptcy Court for the District of Delaware or to the United States Trustee for this District.

3. Except as hereinafter set forth, I do not hold or represent and, to the best of my knowledge and information, no other attorney of Foley Hoag holds or represents, any interest adverse to the Debtors or their estates with respect to any of the matters for which Foley Hoag's retention is sought. Insofar as Foley Hoag has been able to ascertain, neither I, nor Foley Hoag nor any partner, counsel or associate thereof, has any connection with the Debtors in these cases, their creditors, or any other party in interest, or their respective attorneys or accountants, except as hereinafter set forth.

4. For more than twenty years, Foley Hoag and certain of its partners and associates have rendered legal services to the Debtors and their affiliates in connection with federal, state, and local environmental laws as they apply to facilities operated by the Debtors in Massachusetts and surrounding states. *Inter alia*, Foley Hoag's and my legal services have included the provision of environmental compliance counseling and strategic litigation advice in connection the Debtor's facilities in Acton and Woburn, Massachusetts.

5. The Debtors have been cleaning up the Acton facility since 1980. Foley Hoag originally represented the Debtors in negotiating a consent decree concerning the cleanup that was entered by the Federal District Court for the District of Massachusetts in 1980 and has represented Grace in implementing its obligations under the consent decree and cleaning up the facility since that time. Foley Hoag has also represented the Debtors in related matters associated with the cleanup of the Acton facility, including negotiations with the Town of Acton, the Acton Water District, and nearby residents. The cleanup of the facility is ongoing and, in addition, the Debtor is planning for redevelopment of the property once the cleanup has been completed. The Debtors have requested that Foley Hoag represent them in connection with the cleanup and redevelopment of the Acton facility.

6. Foley Hoag has also represented the Debtors for many years in connection with environmental matters associated with the Debtor's facility in Woburn, Massachusetts. Recently, Foley Hoag has been providing the Debtors with environmental advice in connection with the Debtor's efforts to sell, lease, and/or otherwise redevelop the Woburn property. The Debtors have requested that Foley Hoag represent them in connection with the sale, lease, and/or redevelopment of the Woburn facility.

7. Foley Hoag has also represented the Debtors in responding to United States Environmental Protection Agency requests for information concerning potential environmental liabilities related to operation of facilities by the Debtors in Massachusetts, New Hampshire, Maine, and Rhode Island. In connection with such representation, Foley Hoag has obtained an unparalleled understanding of the operations of Grace facilities in these states and the potential environmental liabilities associated with those operations. The Debtors have

requested that Foley Hoag represent them in connection with EPA's ongoing investigation into such potential liabilities.

8. Pursuant to the Order Authorizing the Debtors' to Employ and Compensate Certain Professionals Utilized in the Ordinary Course of the Debtors' Business [Docket No. 195] and the Amended Order Authorizing Certain Professionals [Docket No. 3126] (collectively, the "OCP Orders"), Foley Hoag has represented the Debtors in the capacity of an Ordinary Course Professional ("OCP") since the filing of the Debtors' bankruptcy cases and, as of August 15, 2005, has been paid \$471,279.08 for work and services performed.

9. Foley Hoag will provide such services as Foley Hoag and the Debtors deem necessary, including but not limited to the following:

- a. to advise the Debtors, their counsel, and their Board of Directors with respect to environmental issues involved in the cleanup and potential redevelopment of the Debtors' facilities in Acton and Woburn, Massachusetts;
- b. to advise the Debtors, their counsel, and their Board of Directors with respect to existing environmental claims or potential environmental claims that may be brought against the Debtors with respect to wastes generated, cleanup or redevelopment at the Debtors' facilities or former facilities in New England;
- c. to act as counsel for the Debtors and any related party in environmental litigation or administrative proceedings relating to any of the New England facilities; and
- d. such other related services as the Debtors may deem necessary or desirable.

10. Foley Hoag billed and collected approximately \$43,366.01 for services and expenses during the twelve months prior to the Debtors' Petition Date.

11. Foley Hoag has an unsecured pre-petition claim for \$4,910.39 related to pre-petition services rendered. Foley Hoag filed a general unsecured claim to recover such amounts in the bankruptcy proceeding but will waive and voluntarily withdraw such claim.

12. Foley Hoag has conducted, and continues to conduct, extensive research into its relations with the Debtors, their creditors, employees of the Office of the United States Trustee, attorneys, and accountants of the foregoing, and other parties interested in these cases. As part of this inquiry, Foley Hoag obtained from Debtors' senior management and others over 3,000 names of individuals or entities who may be parties in interest in these Chapter 11 cases (the "Potential Parties in Interest").<sup>2</sup> Foley Hoag then entered the names of the Potential Parties in Interest into a computer database containing the names of all clients and conflict information concerning such clients of Foley Hoag. This inquiry revealed that certain of the Potential Parties in Interest are or may be current or former Foley Hoag clients. A list of those Potential Parties in Interest is set forth in Exhibit "A" hereto (the "Client Match List"). Through the information generated from the above-mentioned computer inquiry, and through follow-up inquiries with Foley Hoag attorneys, it was determined that, except as set forth in paragraph 12 below, the representation of the clients on the Client Match List concerned matters in which such clients were not adverse to the Debtors.

13. Foley Hoag represents Support Terminal Services, Inc. ("STS"), in connection with a release of jet fuel at the Otis Air Force Base, in Massachusetts. There is a dispute between Debtors and STS concerning the responsibility for the cleanup of such release. That dispute has been the subject of litigation in Texas. Foley Hoag has not represented either Debtors or STS in that litigation. Foley Hoag has not represented STS in any matters adverse to Grace.

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<sup>2</sup> The Potential Parties in Interest include the Debtors' Directors and Officers, the Debtors' Affiliates, the Debtors' major shareholders, the Debtors' secured creditors, the major unsecured creditors and other creditors identified by the Debtors, certain of the Debtors' strategic partners identified by the Debtors, the Debtors' professional advisors in these Chapter 11 cases and certain other interested parties identified by the Debtors and others.

14. While Foley Hoag has undertaken and continues to undertake extensive efforts to identify connections with the Debtors and other parties of interest, it is possible that connections with some parties in interest have not yet been identified. Should Foley Hoag, through its continuing efforts, learn of any new connections of the nature discussed herein, Foley Hoag will so advise the Court.

15. I have read the Debtors' Application for the Entry of an Order Authorizing the Retention and Employment of Foley Hoag LLP as Special Environmental Counsel for the Debtors that accompanies this Certification and, to the best of my knowledge, information and belief, the contents of said Application are true and correct.

16. Foley Hoag intends to apply to the court for compensation for professional services rendered in connection with these cases, subject to approval of the Court and in compliance with the applicable provisions of the Bankruptcy Code and Bankruptcy Rules and any Orders of the Court. Foley Hoag will charge hourly rates to the Debtors that are consistent with customary hourly rates charged by Foley Hoag, which currently are \$95 to \$200 for paralegals, \$205 to \$425 for associates and \$350 to \$610 for partners, subject to periodic adjustments, plus reimbursement of actual and necessary expenses and other charges that the firm incurs. The principal members of Foley Hoag who will be handling the representation and their current hourly rates are:

<u>Attorney</u>	<u>Hourly Rate</u>
(a) Seth Jaffe	\$445 per hour
(b) Adam Kahn	\$430 per hour

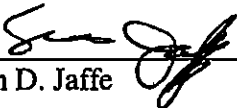
17. The hourly rates set forth above are subject to periodic adjustments to reflect economic and other conditions. Other attorneys and paralegals will from time to time serve the Debtors as well in the matters for which Foley Hoag's retention is sought. Foley Hoag

rates are set at a level designed to compensate Foley Hoag fairly for the work of its attorneys and paralegals and to cover fixed and routine overhead expenses. It is Foley Hoag's policy to charge its clients in all areas of practice for such additional expenses as telecopier toll and other charges, mail and express mail charges, special or hand delivery charges, document processing, photocopying charges, travel expenses, expenses for "working meals," computerized research, messengers, couriers, postage, witness fees and other fees related to trials and hearings, transcription costs, and non-ordinary overhead expenses such as secretarial and other overtime. Foley Hoag will charge the Debtors for these expenses in a manner and at rates consistent with charges generally made to Foley Hoag's clients. Foley Hoag believes that it is fairer to charge these expenses to the client incurring them than to increase its hourly rates and spread the expenses among all clients.

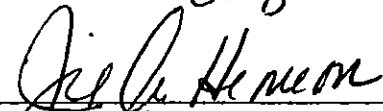
18. No promises have been received by Foley Hoag as to compensation in connection with this case other than in accordance with the provisions of the Bankruptcy Code. Foley Hoag has not entered into an agreement with any other entity to share (a) any compensation it has received or may receive for services rendered in connection with this case with another party or person, or (b) any compensation another party or person has received or may receive for services rendered in connection with this case.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing  
is true and correct.

Executed on Aug<sup>st</sup> 17, 2005.

  
Seth D. Jaffe

Subscribed and Sworn to before me  
this 17 day of August, 2005

  
Notary Public  
My Commission expires: 3/14/08



JIL A. HEMEON  
Notary Public  
Commonwealth of Massachusetts  
My Commission Expires  
March 14, 2008

B3080144.1

**EXHIBIT A - CLIENT MATCH LIST**

A.W. Chesterton Company
ABN Amro Bank N.V.
Aggregate Industries
Air Products and Chemicals, Inc.
Alcoa, Inc.
Allied Signal, Inc.
Allied Waste Industries Inc.
Amoco Corporation
APV
Armstrong Teasdale Llp
Armstrong World Industries
Arthur Andersen LLP
Ashland Chemical Company
Ashland Oil, Inc.
Aspen Technology, Inc.
AT&T Corp
Atlantic Richfield Company
Atofina Chemicals Inc.
B.F. Goodrich Co.
Baker & Taylor, Inc.
Bank of America, N.A.
BANK OF BOSTON/51217666 us 02026-9124
Bank of New York
BASF Corp.
Bayer Corp.
Bear Stearns & Col. Inc.
Betz Laboratories, Inc.
Black & Decker Corp.
Boise Cascade
Borden, Inc.
Bostik, Inc.
Boston Sand & Gravel Co.
BP Amoco Chemical - Chicago, IL
BP of America
Browning Ferris Industries
Cambridge Electric Light Co.
Carnegie Mellon University
Casner & Edwards US 02110 BOSTON MA
Celanese LTD
Child World, Inc.
Chomerics, Inc.
Chuck Wilson
Ciba Specialty Chemicals Corp
Citibank, N.A.
City of Cambridge Massachusetts
Clairol Incorporated
Conoco, Inc.
Cooper Industries, Inc.

CPI
Credit Lyonnais
Credit Suisse First Boston Corp.
DELTA
Deutsche Bank Trust Company Americas
Dial Corporation (The)
District of Columbia
Dow Chemical Company
Dresser Industries, Inc.
Eagle Picher Industries, Inc.
Elf Atochem North America Inc.
ENSR Corporation
ENTERGY
Euler/American Credit Indemnity
Fibreboard Corporation
Fidelity & Deposit Co. of Maryland
Figgie International
Fireman's Fund Insurance Co.
Ford Motor Company
Gary Bowen
GE Capital Corporation
GENERAL CHEMICAL
General Electric Company
General Electric Corp.
General Motors Corporation
Georgia Pacific (GP Gypsum) Corp.
Georgia Pacific Corporation
H.B. Fuller Co.
Handex of New England Inc.
Honeywell (Gomar) / Linden, NJ
Hunton & Williams
HUNTSMAN CHEMICAL CORP.
HYDRO-QUEBEC
IBM Corporation
ICI Americas Inc. & Indopco
IMO Industries
Ingersoll-Dresser Pump
Ingersoll-Rand Company Inc.
International Paper
ITT Fluid Technology
J.P. Morgan & Chase Co.
John L. Stevenson
Johnson & Johnson
Johnson Matthey / W. Deptford, NJ
Katten Muchin Zavis Rosenman
Linkage, Inc.
Marathon Oil Co.
Marshall's, Inc.
Massachusetts Bay Transportation Authority
Matson Navigation Company Inc.
MCI Worldcom
Merrill Lynch, Pierce, Fenner & Smith Inc.

Methodist Hospital
Metropolitan Life Insurance Company
Millipore/Genentech - San Francisco
Minnesota Mining & Manufacturing Company (3M)
Monsanto Company
New England Industrial Truck Inc.
New England Mutual Life Ins. Co.
Occidental Chemical Corporation
Office Depot Inc.
Olin Corporation
Owens Illinois, Inc.
Parker Hannifin Corporation
Peerless Industries, Inc.
Perini Corporation
Perkins Coie
Pfizer, Inc.
Phillips Petroleum Company
Pitney Bowes, Inc.
Pollock Co.
Polyone Corporation
PPG Industries, Inc.
Proko Industries, Inc.
Rapid American Corp.
Reichhold Chemicals, Inc.
Rhone Poulenc, Inc.
Robintech Incorporated
Rohm & Haas
Shell Oil Company
Sherwin Williams Company
Shield Packaging Co., Inc.
Simpson Gumpertz & Heger, Inc.
SPAULDING & SLYE
Sterling Drug, Inc.
Stone & Webster, Inc.
Sunoco Products Co.
Support Terminal Services, Inc.
Terry Smith
Texaco, Inc.
The Pep Boys - Manny, Moe & Jack
Tosco Corporation
Travelers Insurance Co. (The)
Union Carbide Corporation
W.R. Grace
Wal-Mart Stores, Inc.
Walworth Co.
Westinghouse Electric Corp.
Xerox Corporation